

**STATE OF CALIFORNIA
REGIONAL WATER QUALITY CONTROL BOARD
CENTRAL COAST REGION**

STAFF REPORT FOR REGULAR MEETING OF September 25-26, 2014

Prepared on August 27, 2014

ITEM NUMBER: 6

SUBJECT: Drought Conditions Update by Regional Liaison to Water Rights Division

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KEY INFORMATION:

LOCATION: Region-Wide

TYPE OF ACTIVITIES: Permitting, Interagency Coordination, Technical Assistance, Grant and Loan Funding, Stakeholder Involvement

THIS ACTION Board Discussion/Information/Direction

DISCUSSION

Central Coast Water Board staff is becoming more involved in tasks related to water rights to assist the State Water Board, given the high demand for staff resources under the current extreme drought conditions. Additionally, drought-related tasks continue to emerge through permitting, groundwater and spill cleanup and investigations, interagency coordination (since we regulate municipalities for wastewater discharges who also provide water supply), and grant-funding outreach. Staff is also seeking opportunities to facilitate or implement drought-related tasks regionally to address drought-related problems and limited water supply and availability with Central Coast Water Board water quality authorities.

This report provides general information about the current projects and tasks that Central Coast Water Board staff is tracking or implementing due to the drought.

For the July Board Meeting, staff provided a summary of Central Coast Water Board General Activities, such as updating our website with information and links to critical information about the drought. Additionally, staff summarized Central Coast Water Board activities specific to communities in the region with critical water supply conditions, such as Cambria and Paso Robles.

Since July, staff has continued to track and facilitate drought assistance and water supply improvement in critical areas. See the specific area information in the subsequent section of this report.

Regional Liaison to Water Rights Division

Lisa McCann, Environmental Program Manager and Section Manager for the Watershed Planning and Protection Section, continues to serve as the Regional Liaison to the Water Rights Division. In this role, Ms. McCann does the following:

- Coordinate and provide information updates to the Central Coast Water Board and stakeholders regarding drought activities in the Central Coast Region

- Represent State Water Board staff, if needed, on local projects and to local agencies and stakeholders
- Facilitate stakeholders' needs with State Water Board activities and authorities to address and resolve local drought problems
- Coordinate and make Central Coast Water Board activities consistent with State Water Board activities, regulations and policies

State-wide Drought Information and Activities

A new report was published on August 4, 2014 by the California Water Foundation profiling the sensitive groundwater resources of the Central Coast region. The report is titled *Central Coast Groundwater, Seawater Intrusion and Other Issues* and written on commission by Julie Nico Martin. The executive summary and a link to the report are as follows:

Executive Summary

The Central Coast area relies on groundwater for more than 80 percent of its water supplies, a greater percentage than any other region in the state. Over 40 percent of the groundwater basins in the Central Coast region were ranked as either "high" or "medium" priority as part of the California Statewide Groundwater Elevation Monitoring (CASGEM) prioritization released in June 2014, indicating that they are among the most threatened by present or future increases in groundwater demand. Central Coast groundwater supplies are seriously threatened by over-pumping that causes seawater intrusion, a challenge unique to coastal communities. Seawater intrusion results in saline groundwater that is unsuitable for irrigation or domestic use, directly threatening the Central Coast's economy, where many high-value, salt-sensitive crops, such as strawberries, are grown.

<http://www.groundwatervoices.com/wp-content/uploads/2014/08/Central-Coast-Groundwater-Report-Aug-2014.pdf>

The CASGEM Basin Prioritization (by the Department of Water Resources) ranks Salinas as the highest priority in the State, so the most threatened groundwater basin. The Gilroy-Hollister, Pajaro Valley, Santa Maria, and Carmel Valley basins follow closely in the top 23 out of 515 basins in the State.

http://www.water.ca.gov/groundwater/casgem/basin_prioritization.cfm (webpage)
http://www.water.ca.gov/groundwater/casgem/pdfs/lists/StatewidePriority_05262014.pdf (Table of Basins)

In August 2014, the state Assembly sent a bill to the Governor, AB1739 (Dickinson), that regulates groundwater supply and the Senate passed two companion bills, SB1168 (Pavley) and SB1319 (Pavley). This package of bills would require some local governments to develop groundwater-management plans and allows the state to intervene if necessary.

These bills and their relationships are described at:
<http://leginfo.legislature.ca.gov/faces/billHistoryClient.xhtml>

The text of AB1739 and SB1168 can be reviewed at:

AB1739- http://www.leginfo.ca.gov/pub/13-14/bill/asm/ab_1701-1750/ab_1739_bill_20140822_amended_sen_v93.pdf

SB1168- http://www.leginfo.ca.gov/pub/13-14/bill/sen/sb_1151-1200/sb_1168_bill_20140829_amended_asm_v91.pdf

SB1319- http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201320140SB1319

On Friday, August 15, 2014, Ken Harris, Executive Officer, attended Drought Recovery and Response Training at the Governor's Office of Emergency Services headquarters in Sacramento. Training involved overview of the State's drought response structure, attending agencies areas of responsibilities, funding options, discussion of issues that state agencies have come across, and a preview of a database listing all water and environmental agencies contacts by county.

Central Coast Water Board General Activities Related to Drought

Drought-Related Funding

Central Coast Water Board staff is tracking progress and coordinating with State Water Board staff on grant project selection and awards for the Proposition 84 Integrated Regional Water Management (IRWM) funding for Drought Grants. The Department of Water Resources (DWR) administers these funds and this grant program. Information on these funds and grants awards is at:

<http://www.water.ca.gov/irwm/grants/implementation.cfm>

The 2014 IRWM Drought Grant Solicitation closed on July 21, 2014. DWR received 39 grant applications state-wide requesting approximately \$339 million in IRWM grant funds for projects totaling in excess of \$970 million. All six of the IRWM funding areas in the Central Coast Region submitted Drought Grant proposals, with a total grant request of \$35.4 million for projects exceeding \$60 million. Approximately \$14.5 million of Proposition 84 grant funds are available for our region.

A table summarizing the grant applicants, the associated IRWM region, the requested grant amounts, and total project costs has been posted at the webpage link above.

Other drought-related funding opportunities include the following and are further described at these links to webpages:

- [\\$4 Million in Funds for Interim Replacement Drinking Water for Economically Disadvantaged Communities](#)
- [Low Interest Loans for Water Recycling Projects](#)
- [Facilities Planning Grants for Water Recycling Projects](#)
- [\\$800 Million at 1 Percent for Water Recycling Projects](#)

Drought-Related Complaints

Central Coast Water Board staff continues to refer people with complaints related to water use and diversions to the State Water Board's Water Rights Enforcement webpage and the complaint form:

http://www.waterboards.ca.gov/waterrights/water_issues/programs/enforcement/complaints/index.shtml

The State Water Board is giving highest priority to these types of complaints when they are in critical watersheds that have had water rights curtailed due to drought conditions or in watersheds that have resident endangered species.

Since the last Water Board Meeting and Drought Update Report, Central Coast Water Board has received complaints about being asked or required to reduce or eliminate outdoor watering at residences while municipalities, business owners or homeowners' associations continue to irrigate commercial and public open spaces. Staff also received a complaint about communities offering programs that pay people to take out lawns without any breaks for people who

previously and voluntarily took out their lawns or eliminated outdoor irrigation. These complaints came from people in southern communities in our region such as Nipomo and Grover Beach.

Additionally, people implementing construction projects enrolled under the Construction Stormwater General Permit (General Permit) have complained that they cannot achieve final stabilization of vegetation and slopes, as required by the permit, to insure erosion control. They claim they lack enough water to establish vegetation or they desire to avoid overwatering. Stormwater Program staff maintains that these projects still must comply with the General Permit and achieve final stabilization before the Central Coast Water Board can approve termination of coverage by the permit; for some projects, this may mean staying enrolled in the General Permit for an additional season. This response was developed in coordination with the State Water Resources Control Board, Stormwater Program Roundtable and is based on the fact that the Governor's Declaration of a Drought State of Emergency does not provide the opportunity to or direct agencies to modify permit requirements.

Central Coast Water Board Activities Related to Communities with Critical Water Supply Conditions

Paso Robles

The State Legislature passed AB 2453 (Achadjian) Paso Robles Basin Water District in August. This bill would provide for the formation of the Paso Robles Basin Water District, and would set forth the composition of the Paso Robles Basin Water District and the method of election by landowners and registered voters for the board of directors. The enrolled version of the legislation can be viewed at the following link:

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201320140AB2453

The Paso Basin Advisory Committee to the County of San Luis Obispo has formed various ad-hoc subcommittees, such as groundwater management planning, in-basin projects, outreach and education.

Activities and progress of the Paso Basin Advisory Committee can be monitored at this website: <http://www.slocountywater.org/site/Water%20Resources/Water%20Forum/PRGWB%20Advisory%20Committee/>

Central Coast Water Board and State Water Board staff continues to monitor the progress by local organizations to manage the Paso Robles Groundwater Basin in order to consider whether and how the State might intervene to protect the basin.

Cambria

According to CCSD staff and consultants, the community's water supply will be exhausted sometime between October and December of 2014. To address this extreme condition, the CCSD has submitted Reports of Waste Discharge (permit applications) for two different waste discharge requirements (WDRs) orders from the Central Coast Water Board: 1) WDRs specific to the reinjection of recycled water subject to Title 22 drinking water standards and 2) WDRs for a surface impoundment (evaporation pond) that would receive reverse osmosis reject subject to Title 27 solid waste disposal standards. The CCSD has applied for and received a Stormwater Construction Permit and may also need a Clean Water Act Section 401 Water Quality Certification for temporary impacts to Van Gordon Creek. Eight Regional Board staff (2 full time) are now working on the Cambria project.

The CCSD continues to work with the Division of Drinking Water (formerly California Department of Public Health) to be recognized as a community vulnerable to acute drinking

water shortages due to drought, which may alleviate some permitting and administrative burdens.

In addition, Central Coast Water Board staff has been working closely with CCSD and has done the following:

- Attended an interagency meeting at the Coastal Commission office in Santa Cruz on August 27, 2014. All state and federal agencies with permitting authority attended. CCSD's consultants provided a project update and each agency discussed outstanding issues.
- Identified short-term and long-term environmental impacts relating to the proposed project along with other agencies (the Coastal Commission, County of San Luis Obispo, California Department of Fish and Wildlife, and the Drinking Water Division of the State Water Resources Control Board submitted comments on the draft environmental documents prepared pursuant to the California Environmental Quality Act; the CCSD plans to address these comments in the final environmental document);
- Contacted the new State Water Board Division of Drinking Water to facilitate identification of Cambria as a community vulnerable to acute drinking water shortages.

Central Coast Water Board staff will do the following in the next several weeks:

- Review the submitted reports of waste discharge (permit applications) and prepare draft WDRs;
- Prepare for a hearing by the Central Coast Water Board in November 2014, with the anticipation that the project would be online shortly after WDR issuance.

Los Osos

Los Osos water purveyors, Los Osos Community Services District (LOCSD), Golden State Water Company (GSWC), and S&T Mutual Water Company (S&T) and the County of San Luis Obispo released the Public Review Draft Basin Plan for the Los Osos Groundwater Basin on August 1, 2013, as part of an adjudication of water resources in the basin (court ordered in 2008). Central Coast Water Board staff reviewed the basin plan and provided comments to these organizations on October 22, 2013. Members of the public also commented on the basin plan, shared those comments with the Central Coast Water Board, and requested action by the Central Coast Water Board to further protect the groundwater basin.

These parties have not responded to the comments and have not informed Central Coast Water Board staff of the status of basin management activities. Members of the public have contacted Central Coast Water Board staff to find out the status of management activities.

Central Coast Water Board staff sent a letter to the Los Osos water purveyors, Los Osos Community Services District (LOCSD), Golden State Water Company (GSWC), and S&T Mutual Water Company (S&T) and the County of San Luis Obispo, requesting that these parties or a representative attend the Central Coast Water Board meeting on September 25-26, 2014 to update the Board members on the status of groundwater basin management activities. This will allow the Board members to consider follow up actions in response to the on-going and serious water quality conditions of seawater intrusion in the lower aquifer and high nitrate in the upper aquifer. The Central Coast Water Board may direct staff to incent or influence groundwater basin management activities. Given the current extreme drought conditions and the specific urgent water supply conditions in Los Osos, the Central Coast Water Board may request that the State Water Resources Control Board evaluate use of their authority, if the purveyors are unwilling or unable to demonstrate implementation of timely actions to stabilize and protect the basin.

Central Coast Water Board staff will evaluate the recent groundwater legislation (as discussed above) to see if implementation of new groundwater laws will improve and incent basin management.

Santa Barbara Area

City of Santa Barbara is planning to reactivate the Charles E. Meyer Desalination Facility. Central Coast Water Board and State Water Board staff are currently evaluating permitting issues and terms. The State Water Board may ask the Central Coast Water Board to amend the current permit to enable start-up of the existing facilities while the state-wide Desalination Policy approval is pending before the State Board. The status of the project is described at the following City of Santa Barbara webpage:

<http://www.santabarbaraca.gov/gov/depts/pw/resources/system/sources/desalination.asp>

Conclusion

Given the severity of the drought and the high volume of work in response for the State Board Division of Water Rights, Central Coast Water Board staff will continue to track drought-related activities and issues in the region and provide assistance to stakeholders and the State Water Board as needed. Additionally, Central Coast Water Board staff will take drought conditions and impacts to beneficial uses and water quality into account as we continue to conduct permitting, groundwater and spill cleanup and investigations, interagency coordination and grant-funding outreach or other business affected by the drought.